

INTRODUCTION

The first City of Lincoln housing study (on record) was completed in 1951 to “furnish a basis to diagnose the housing situation” and “to see whether a situation exists which requires city action and, if so, the extent and nature of such action.” A survey conducted for the analysis of parts of Clinton, Malone, North Bottoms, Downtown and Everett Neighborhoods showed three concentrated areas of blight, 10th to 13th and H to L Streets, an area east and northeast of the capital centered at 18th and L, and an area from 19th to 23rd and R to U.¹

Today, over 50 years later, some things have not changed. We continue to see concentrated areas of housing need, especially in our oldest neighborhoods that include the areas of blight above. However, our City has also changed and expanded dramatically since then, and with it, so have the areas of housing need. We have a more diverse population, a greater number of people in poverty, new housing types, and additional institutions and regulations that make meeting affordable housing needs even more challenging than in the 50's.

Between 2000 and 2025, the Planning Department projects that over 42,000 new housing units will be built within the City to accommodate the increasing population. While over 9,000 were estimated to have been built already, this leaves almost 33,000 yet to be built. The types of units that will be built are not only up to developers and builders, but policy makers, funders (public and private), and the city as a whole. There is an opportunity by all partners to work together to ensure these new units fit the needs of the existing and future populations. Additionally, there is an opportunity to shape policies, plans, and programs, and even public opinion to support the preservation of existing affordable housing and redevelop housing to meet safe and sanitary standards. The five-year plan provided at the end of this document sets us on the path to create new and preserve existing affordable housing over the next 20 years. However, before developing the plan, those involved must understand the current housing climate.

The following document is an analysis of the affordable housing market in the City of Lincoln, Nebraska. In the analysis, a snapshot of the larger context of the housing market is provided, including demographics, geographic makeup, and economic conditions of the City, to address the current market in which affordable housing is supplied. The supply and need for affordable housing is examined based upon information provided by HUD and other key informants. Through the participation of many stakeholders throughout the City, the analysis also takes a critical look at barriers to meeting the affordable housing need within the City and recommendations to remove those barriers. The final result is a plan, when implemented with participation from City partners, will help to address affordable housing needs and remove impediments to affordable and fair housing.

¹Out of over 12,000 units in the area, 53 percent were owner occupied, two percent were occupied by non-white householders, 25 percent were substandard, and five percent were dilapidated. A total of 45 percent of the units occupied by non-white households were substandard, versus 24 percent of those occupied by white households. Nearly 18 percent of renter households paid 30 percent or more of their incomes toward gross rent (including utilities). Four percent of the areas households lived in severely overcrowded conditions, while 11 percent of the non-white households lived in severely overcrowded conditions.

The Purpose

The purpose of the *Affordable Housing Needs Analysis* (AHNA) is to:

- provide reliable, current, and objective background information for the Consolidated Plan and Analysis of Impediments to Fair Housing;
- provide a forum for public information and input early on in the consolidated planning process;
- facilitate communication among affordable housing stakeholders; and,
- provide a shared action plan for local and state agencies/organizations working toward the common goal of affordable housing preservation and development.

Over 60 percent of the Urban Development Department's budget, the majority of which are federal CDBG and HOME funds, is targeted to be used toward the goal of preserving and maintaining affordable housing opportunities. Partnerships with other organizations have allowed us to leverage an additional \$5 million annually toward this goal. The Department spends these federal funds according to a five-year plan called the Consolidated Plan. The next Consolidated Plan will begin September 1, 2005 and last through August 31, 2010.

The Requirements

The Affordable Housing Needs Analysis will supply the background information for the housing section of the Consolidated Plan. To meet federal requirements and provide the Department with a sound plan for allocating resources, the AHNA will contain an analysis of the housing market, outline barriers to affordable housing, provide a five-year strategic plan, and identify resources that may be used toward meeting the goals identified in the plan.

The Department of Housing and Urban Development (HUD) requires that the analysis contains a description of key features of the housing market, such as the supply of housing, demand for housing, and the condition and cost of housing. As required also required, the AHNA will estimate housing needs by:

- **Income categories:** including households with *extremely low income incomes*, below 30% of the area median family income (AMFI or AMI); *very low incomes*, between 30% and 50% of the median; and, *low incomes*, between 50% and 80%.
- **Family type:** small families (2-4 people), large families (5 or more persons), individuals, and elderly-headed households.
- **Tenure type:** renter- or owner-occupied.
- **Special needs:** persons with physical or mental disabilities.

Additionally, the AHNA will also examine households experiencing:

- **Cost Overburden:** paying more than 30 % of households income for housing including utilities (severe cost overburden is paying more than 50%).
- **Overcrowding:** a housing unit with more than one person per room.

The Definition of Housing

At a minimum, housing must be habitable, appropriate, and accessible to be counted as a part of the affordable housing stock:

- *Habitable*: housing conditions must meet local, state, and federal regulations for safety and soundness.
- *Appropriate*: housing should meet the needs of the household (i.e., size).
- *Accessible*: all persons regardless of their race, ethnicity, national origin, language, religion, disability, gender, familial status, sexual orientation, or age should have equal access to housing opportunities of various types throughout the City.

The Definition of Affordable Housing

For housing to be *affordable*, housing expenses (whether mortgage expenses or gross rent payments) must equal no more than 30 percent of a household's gross income, according to HUD. Mortgage expenses include repayment of principle, insurance fees, taxes, and interest payments. Typically utilities, maintenance, and rehabilitation expenses are not included in the determination of owner affordability. Gross rent includes utilities and rent payments. To ensure that housing is accessible by all subpopulations, there must be a range in the affordability of housing types and sizes.

Determining Housing Need

Housing need can be quantified as the number and type of housing units required to accommodate a population of various incomes and household sizes at this given standard of housing occupancy. To determine the need for affordable housing, this analysis begins by examining the characteristics of the current population and household types.

The Format

Chapter 2 is the Executive Summary of all of the findings within the analysis. Chapter 3 describes the methodology used to examine and provide the information. Chapter 4 shows how the population has changed over the past decade and how it is expected to change. Chapter 5 includes an examination of the housing structures and tenure within the City. Chapter 6 shows how income within the City relates to the cost and affordability of housing. Chapter 7 compares the need for housing to the supply of housing by type, and shows where gaps may be. Chapter 8 provides a discussion of barriers that may hinder the ability of the City and stakeholders to address these gaps. Chapter 9 provides recommendations of the stakeholders. And, Chapter 10 presents the plan for action. The Appendices include lists of participants (whether through meetings, interviews, and/or surveys) in the stakeholder process, maps, examination of resources, and the Analysis of Impediments to Fair Housing Executive Summary.